

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 19 – HB 241

April 10, 2013

SUMMARY OF ORIGINAL BILL: Creates a stipend program for postsecondary education students who are majoring in a field of science, technology, engineering or math, or a health-related field. Requires program to begin in the 2013-14 academic year. Requires applicable students to be defined as “STEM majors”. To be eligible for a STEM stipend at an eligible four-year postsecondary institution, a student must be a Tennessee Hope scholarship recipient; have completed 60 semester hours; and be a STEM major. To be eligible for a STEM stipend at an eligible two-year postsecondary institution, a student shall be a recipient of a Tennessee HOPE scholarship and a STEM major. A student who becomes ineligible for a HOPE scholarship shall also become ineligible for a STEM stipend.

Requires the STEM stipend to be a loan that bears no interest. Requires any student who changes from a STEM major to a non-STEM major to repay the STEM stipend. Authorizes a student to receive both the General Assembly Merit scholarship and a STEM stipend. Authorizes a student to receive both the ASPIRE award and the STEM stipend.

Requires stipends to be funded from net lottery proceeds. Requires the STEM stipend to be \$1,000 in the 2013-14 academic year. For the 2014-15 and subsequent academic years, the amount of the stipend shall be determined in accordance with Tenn. Code Ann. § 4-51-111 and set in the general appropriations act.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Net Impact –

\$7,474,500/FY13-14/Lottery for Education Account
\$7,387,000/FY14-15/Lottery for Education Account
Exceeds \$7,387,000/FY15-16 and Subsequent Fiscal Years/
Lottery for Education Account

SUMMARY OF AMENDMENT (006650): Deletes all language after the enacting clause. Requires the Tennessee Higher Education Commission (THEC) to create a list of STEM majors that can be used to potentially establish a lottery scholarship program to provide financial assistance to STEM majors. To create the list, THEC shall consult with the University of Tennessee, the Board of Regents, eligible independent postsecondary institutions, the chairs of the Education Committees of the General Assembly, and prime sponsors of this act. Requires THEC to submit this list to the Education Committees of the General Assembly by November 1, 2013.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumption for the bill as amended:

- Any increase in state expenditures for THEC to determine which majors qualify as STEM majors, to consult with various entities and individuals, and to make a report to the General Assembly is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

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